

DELINQUENCY-MOVING MATRICES FOR
VISUALIZING LOAN COLLECTIONS

ABSTRACT OF THE DISCLOSURE

5 The present invention, in one aspect, relates to tools for forecasting
cash flow and income from a loan portfolio that are particularly useful in volatile
markets. In one specific embodiment, consumer payment behavior is modeled, and
account movement is simulated. For each month, actual payment amounts can be
compared to delinquency, and frequency of payment can be compared to delinquency.
Actual performance is then applied to current contractual payments for forecasting.
In addition, the models facilitate determination of where payments are coming from,
10 i.e., who is paying.